Insurance Companies in the private sector are violating all regulatory mechanism and gambling in the share market;

(b) if so, what are the details there of; and

(c) what is the reaction of Government in regard thereto specially on the privatisation of insnrance company in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Does not arise.

(c) Since under the existing insurance laws, transacting life and general insurance business is an exclusive privilege of the Life Insurance Corporation of India (LIC) and the General Insurance Corporation of India (GIC), this question does not arise.

Establishment of Independent Insurance Regulatory Authority

6925. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any decision on the establishment of Independent Insurance Regulatory Authority and if so, the details thereof; and

(b) whether Government have received any resolution which was passed by the General Insurance Employees All India Association on the proposed Independent Insurance Regulatory Authority and if so, what are the details thereof and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) As a first step towards the introduction of reforms in the Insurance Sector, it had been announced during the Budget Speech of Finance Minister that it was proposed to establish an Independent Regulatory Authority for the insurance industry, for which the necessary legislation will be introduced shortly.

(b) Yes, Sir. The Federation have assumed that the Regulatory Authority is relevant only to privatisation, and it would be unsuccessful in any effort to curb malpractices by private insurance companies. Essentially the Federation has opposed any attempt at privatisation.

Round the clock service by foreign banks

6926. SHRI KRISHAN KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether most of the foreign banks operating in the country have started providing round the clock services;

(b) if so, the details thereof;

(c) whether Government propose to introduce similar round the clock services in nationalised banks in the country particularly in the metropolitan cities; and

(d) if so, by when and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Presumably, the reference to round-the-clock service is to electronic banking service. Reserve Bank of India (RBI) has, therefore, intimated that a few foreign banks have started providing electronic banking services. RBI have further intimated that Citibank has introduced telephonic banking with primary purpose of making use of modern telephonic networks to improve customer service under which except cash deposits and cash withdrawals, the customers can conduct their banking business by use of telephone.

(c) and (d) As a sequel to the recommendations of the Committee on computerisation in banks, RBI had been permitting commercial banks to instal ATMs in their branches at different centres as and when banks approached for the same.

One of the recommendations of the Committee on Computerisation in banks